

Infrastructure Advisory Commission August 11, 2009





The Challenge

- \$5 billion is needed to bring Indianapolis' water system, wastewater system, roads, bridges, sidewalks and curbs to acceptable condition
- Funding sources for necessary capital improvements and preventive maintenance activities have declined



Infrastructure Advisory Commission

- Mayor Ballard is committed to addressing the city's need for repairing waste and storm water systems and crumbling roads, curbs and bridges
- The mayor created the Infrastructure Advisory Commission (Commission) to develop an honest assessment of the infrastructure challenges faced by the city, and to offer solutions the city should consider
- The Commission will look locally for resident feedback while searching globally for a myriad of innovative ideas from experienced organizations resulting from REI submissions



Agenda

- Mayor's directive to the Commission
- Commission's progress to date
- Request for Expression of Interest
- Next steps
- Comments or feedback



Mayor's Directives to IAC

- Review potential long-term solutions to Indianapolis-Marion County's critical infrastructure issues
- Provide recommendations to Mayor Ballard to improve Indianapolis-Marion County infrastructure, with a goal of preserving both a high quality of life and affordable cost of living
- Challenge conventional wisdom
- Solicit feedback from citizens
- Review both national and international models and contemporary approaches for financing infrastructure improvements, and their applicability to Indianapolis



Progress to Date

- Commission's Web site launch
 - Includes online feedback and comment form
 - Commission Web site found at Indy.gov/Mayor – click “Infrastructure Advisory Commission”
- First public forum on May 26, 2009
 - Forum aired on Channel 16 and can be viewed on the Commission's Web site
- Community presentations
 - Commissioners continue to meet with neighborhood groups and key stakeholders



Progress to date

■ Media relations

□ May 26 forum aired on Channel 16 and can be viewed on the Commission's Web site

□ Local media coverage:

- July 18, 2009: IBJ – *City's Creativity Deserves Support*
- June 22, 2009: The Indianapolis Star – *Infrastructure Project List Would Cost \$5 Billion*
- June 19, 2009: The Indianapolis Star – *How Can the City Fund the Road to Repairs?*
- May 31, 2009: The Indianapolis Star – *On the road to long-term thinking*





Progress to Date

■ Review of citizen feedback and comments:

- Neighborhood groups' willingness to help the city improve and preserve sidewalks, storm drains and roads

- “One of the things that the committee might consider is helping educate the community on their role in preserving their infrastructure. Part of the reason our infrastructure is so damaged in some areas is that residents don't know their responsibilities.” – sent via e-mail by neighborhood group volunteer

□ Alternative financing options

- A log of issues that show up are small potatoes, like curbs, alleys and sidewalks. Is there a chance to set up a system where by individuals, neighbors and neighborhood associations can get together, pool their funds and privately pay for it and get some form of tax credit, property tax credits or something back? A lot of times neighborhoods can organize and get stuff done and are willing to do it if we can pay ourselves back for it. People would rather spend money in their front yard than seeing it go somewhere else.” – submitted by a resident at a Commission public forum



Progress to Date

■ Review of citizen feedback and comments:

□ Employment plans

- “Is there anywhere that I can find data on what kind of jobs that each of these infrastructure projects will produce? That’s something really important to look at. Focus on these areas where we are going to end up employing more people, so unemployment doesn’t end up coming a bigger problem in the community.” – submitted by a resident at a Commission public forum

□ Condition of infrastructure

- “In a neighborhood where the homeowners take great pride in their houses and landscaping, it's a shame that the City of Indianapolis can't match the effort in regard to the sidewalks and streets.” – submitted via Commission’s Web site comment form by a resident



Progress to Date

- Studying the city's infrastructure needs:
 - Utility rates are on the rise
 - Sewer and Stormwater rates/fees could increase more than 400 percent by 2025
 - Sidewalks, curbs and bridges are crumbling and deteriorating
 - EPA Consent Decree binds the city to approximately \$1.7 billion of sewer improvements through 2025
 - An additional \$1.8 billion in non-mandated sewer improvements, including the Septic Tank Elimination Program

Progress to Date

■ Studying rate comparisons:



Comparative Annual Water and Sewer User Charges⁽¹⁾⁽²⁾

Single-Family Residential			Commercial			Industrial		
City	Annual Charge		City	Annual Charge		City	Annual Charge	
Seattle	\$	1,912	Atlanta	\$	20,612	Atlanta	\$	2,081,347
Atlanta		1,878	Seattle		18,230	Seattle		1,804,850
San Francisco		1,475	San Francisco		13,125	Boston		1,418,428
Philadelphia		1,229	Boston		12,871	San Francisco		1,297,589
Boston		1,177	Austin		11,801	Miami-Dade		1,151,351
San Diego		1,098	Cleveland		9,870	Austin		1,070,255
Austin		1,042	Miami-Dade		9,680	Cleveland		989,414
Cleveland		965	San Diego		9,338	Washington, D.C.		891,418
Columbus		913	Charlotte		9,135	San Diego		868,187
Washington, D.C.		889	Washington, D.C.		8,934	New York		799,853
Charlotte		860	Philadelphia		8,702	Los Angeles		789,635
Los Angeles		830	Columbus		8,238	Charlotte		766,194
Jacksonville		827	New York		7,999	Houston		763,721
Fort Worth		813	Los Angeles		7,940	Columbus		763,049
New York		800	Houston		7,795	Phoenix		748,342
Louisville		776	Fort Worth		7,795	Fort Worth		711,108
San Jose		762	Phoenix		7,599	Louisville		652,086
Baltimore		740	Louisville		7,414	Jacksonville		634,512
Dallas		733	Jacksonville		7,223	San Jose		622,338
Houston		717	San Jose		7,154	Baltimore		568,950
St. Louis		717	Baltimore		6,436	Philadelphia		548,373
Miami-Dade		709	Detroit		6,336	Detroit		496,422
Detroit		706	San Antonio		5,884	Denver		490,803
Indianapolis		682	Milwaukee		5,632	San Antonio		488,940
San Antonio		653	St. Louis		5,523	Milwaukee		461,541
Milwaukee		638	Indianapolis		5,426	Dallas		451,685
Phoenix		568	Dallas		5,255	St. Louis		441,200
Denver		513	Denver		4,960	Indianapolis		423,385
Chicago		325	Chicago		4,162	Chicago		416,164
Memphis		318	Memphis		3,392	Memphis		231,929
Average	\$	876	Average	\$	8,482	Average	\$	794,769

Source: New York City Municipal Water Finance Authority Official Statement dated June 10, 2009

1) User Charges are based upon information provided by the identified cities and standardized assumptions regarding water consumption, wastewater discharge, stormwater drainage area and other factors. Actual charges in each city will vary in accordance with local usage patterns. Some cities bill for sewer use on the basis of winter water consumption which could affect sewer billings if a customer's use was not uniform throughout the year. Sewer charges include stormwater charges in those cities where separate stormwater fees are assessed. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater or stormwater services. In such situations, the user charges do not reflect the full cost of water, wastewater or stormwater services.

2) Charges for all cities reflect rate schedules in effect on February 15, 2009



Progress to Date

- High-level discussion of what drives water, sewer and stormwater rates:
 - Operating Expense (OPEX):
 - City's cost to operate and maintain water and wastewater treatment plants (including services, maintenance, fleet, etc.)
 - A degree of duplication/overlap exists across public utilities
 - Capital Expense (CAPEX):
 - Funds to construct necessary facilities and infrastructure
 - Consent decree with the EPA:
 - Consent Decree is a legally binding document between the City of Indianapolis, U.S. EPA and IDEM to require the City to implement three aspects of sewer works over a specific period of time:
 - The Long Term Control Plan (~\$1.8 Billion) from 2005 through 2025
 - The Sanitary Sewer Discharge Program (~\$50 Million) from 2005 through 2015
 - Supplemental Environmental Projects (~\$3.51 Million) to be spent by 2010



Request for Expression of Interest

- Issued Request for Expression of Interest (REI) on July 20, 2009
 - REI was distributed by the mayor at the request of the newly formed Infrastructure Advisory Commission
 - The city and Commission seek creative and innovative ideas to solve the long-term infrastructure needs without creating additional rate increases
 - Seeking responses from local and nationwide businesses, nonprofits and other entities



Request for Expression of Interest

- REI allows the city to review all possible solutions before proposing and making specific decisions
 - Seeking ideas that will not raise taxes
 - Seeking possible solutions and approaches to save money on the capital and operating expenditures that impact utility rates



Request for Expression of Interest

■ Distribution methods

☐ REI release

- Widespread distribution of REI through City bidding opportunities site

☐ Media relations

- The City and Commission targeted media locally and nationally

☐ Stakeholders

- City officials notified all key stakeholder groups of the release



Request for Expression of Interest

■ Decision-making process

- ☐ Continue to review feedback submitted by citizens
- ☐ Submissions due August 20
- ☐ Mayor's office will review submissions and share ideas with the Commission
- ☐ Mayor's office will meet with organizations that submitted the most innovative responses to elaborate on their ideas, and will share these ideas and concepts with the Commission
- ☐ Process could result in an exploration of another management or engineering strategy



Next Steps

- Continue to accept public feedback
- Commission launched study of downtown parking
- Next public forum will be held this fall



Comments or Feedback

- The Commission welcomes comments and/or feedback
 - Visit the mayor's Web site:
www.indy.gov/mayor and click on the link to the IAC Web site
 - Call the Mayor's Action Center to share your thoughts at 327-4MAC
 - Citizens are also welcome to submit photos